

Tax Commission

IDAHO

RVs, BOATS & AIRCRAFT



An
Educational
Guide to
Sales Tax
in the
State
of
Idaho

This brochure is intended to help businesses that sell RVs (recreational vehicles), boats and aircraft understand the sales tax laws that apply to their business. This information is based on the sales tax laws and rules in effect on May 1, 2003.

RECREATIONAL VEHICLES

ON-ROAD

On-road recreational vehicles are licensable or designed for use on-road. They include:

- Motorcycles
- Motor scooters
- Motorized bikes
- Dual purpose motorcycles (on-and-off-road)
- Camping trailers
- Motorhomes and vans or buses converted for use as temporary living quarters
- Trailers used to haul boats, snowmobiles, all-terrain vehicles (ATVs), etc.

OFF-ROAD

Off-road recreational vehicles cannot be licensed and are designed for off-road use. They include:

- Off-road motorcycles
- ATVs (must be less than 49" wide, under 850 pounds, have a wheel base of 61" or less, and have 3 or more low pressure tires with less than 10 psi.)
- Truck campers
- Boats
- Snowmobiles

CAN IDAHO RESIDENTS PURCHASE RECREATIONAL VEHICLES TAX EXEMPT?

Residents must pay sales tax on the purchase of recreational vehicles unless they are purchased for resale or the resident is an exempt purchaser. To buy tax exempt, the resident must complete form ST-101, Sales Tax Resale or Exemption Certificate.

CAN NONRESIDENTS PURCHASE RECREATIONAL VEHICLES TAX EXEMPT?

Nonresidents can purchase most recreational vehicles tax exempt if the buyer certifies that the vehicle:

- Will be removed immediately from Idaho and titled and licensed in another state, and
- Will not be required to be titled under Idaho laws, and
- Will not be used in Idaho more than 60 days in any 12-month period.

To buy tax exempt, nonresidents must complete form ST-104-MV, Sales Tax Exemption Certificate – Vehicle.

The following vehicles cannot be purchased tax exempt: truck camper, canoe, kayak, or inflatable boat sold without a motor.

FARMERS AND LOGGERS

CAN A FARMER OR LOGGER BUY A RECREATIONAL VEHICLE TAX EXEMPT?

No. It does not matter how the vehicle is used; no tax exemption applies.

AIRCRAFT

WHEN CAN AIRCRAFT BE PURCHASED TAX EXEMPT?

There are three exemptions that may apply to the sale of an aircraft. They are:

- (1) Customers who are exempt from all taxes (like the U.S. government)
- (2) Aircraft are exempt from sales tax if they are used primarily to transport passengers or freight for hire. The exemption applies to commercial airlines, air ambulance services, and charter flight businesses, but not to hot air balloons, gliders and other recreational craft.
- (3) Aircraft sold to nonresidents, even if delivery is taken in Idaho, if the buyer certifies that the aircraft:
 - Will be taken directly out of Idaho and immediately registered in another state or nation, and
 - Will not be required to be registered under Idaho laws, and
 - Will not be used in Idaho more than 90 days in any 12-month period.

To buy tax exempt, your customer must complete form ST-101, Sales Tax Resale or Exemption Certificate (see Brochure #5).

WHAT ABOUT AIRCRAFT PURCHASED TO RESELL?

An aircraft, its repair parts and supplies can be purchased exempt from sales tax if your customer is holding the aircraft for resale, rental or lease in the normal course of business. In this case, your customer must give you a completed form ST-101.

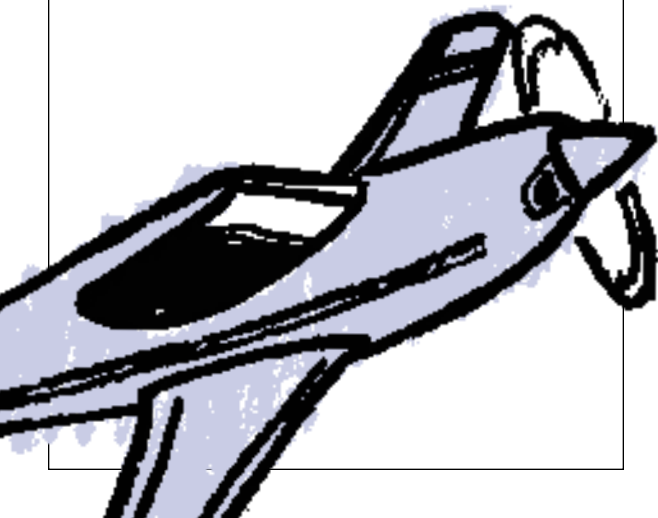
HOW DOES TAX APPLY TO AIRCRAFT USED FOR FLIGHT INSTRUCTION?

Aircraft used primarily for flight instruction are not considered to be held for rental, so their purchase is taxable (as are their parts and supplies). When aircraft held for resale are used for flight instruction, a fair rental value must be established for the use of the aircraft and use tax must be paid on that value by the business giving the instruction.

WHAT IF TWO OR MORE PEOPLE ARE BUYING AN AIRCRAFT?

Depending on the type of ownership arrangement, sales tax may apply differently. The two types of ownership are co-ownership, and ownership within a flying club. If your customers are going to be co-owners, they will pay sales tax to you unless they qualify for another exemption.

If your customers are going to be members of a flying club, then they are retailers holding the aircraft for rental and, if they give you a completed form ST-101, they do not pay sales tax to you. However, they must charge themselves—or others using the aircraft—sales tax on the rental of the aircraft.



WHAT IF I LEASE AN AIRCRAFT TO A CUSTOMER?

If the sale of the aircraft would be taxable, then a lease would also be taxable. For more information on leases, see Brochure #11—Rental and Leasing Firms.

PURCHASES BY DEALERS

WHAT CAN I BUY TAX EXEMPT?

If you are a dealer buying for resale, you must give your supplier a completed form ST-101. Once the supplier has your ST-101 on file, you can buy recreational vehicles, boats, aircraft and any parts needed for their repair exempt from tax, as long as the item is being held in inventory for resale.

WHAT PURCHASES ARE TAXABLE?

You must pay tax when you buy items that will be used by your business rather than being held for resale. Examples of purchases on which tax must be paid include office furniture, office supplies, shop supplies, shop tools, sales brochures and magazines. If your vendor did not charge sales tax, use tax is due to the state of Idaho. Any item you originally purchased for resale but withdrew from inventory for business or personal use is also subject to use tax. Use tax is paid to the state on your regular sales tax return.

FOR MORE INFORMATION, READ:

Brochure #2	Use Tax
Brochure #4	Retailers
Brochure #5	Retailers & Wholesalers: Making Exempt Sales
Brochure #10	Repair Shops
Brochure #11	Rental & Leasing Firms
Brochure #14	Motor Vehicles
Brochure #41	Transportation
Rule 37	Aircraft and Flying Services
Rule 38	Flying Clubs

This brochure was prepared by
the Idaho State Tax Commission.
It does not provide comprehensive
explanations of Idaho tax laws
or rules. Specific questions
should be addressed to the
Idaho State Tax Commission
or a qualified tax practitioner.

Costs associated with this publication are
available from the Idaho State Tax Commission
in accordance with section 60-202, Idaho Code.

